Asia Utility Meter Market Heats Up

Contributed by IMS Research
Monday, 24 October 2005
Last Updated Monday, 24 October 2005

The Asian utility meter market is forecast to grow strongly in the next five years, producing shipments of 170 million units in 2009, worth around $3.5 billion. This new growth surge will be driven by strong economic growth, rising energy consumption and heating reforms in parts of Asia. Average meter prices are also forecast to improve steadily as newly privatized utilities source better quality, intelligent meters.

According to the latest report from IMS Research, Asia is already the biggest producer and consumer of utility meters in the world, and will experience the highest growth. Electronic meters will continue to erode the market for mechanical products, especially in the electricity meter segment, offering strong growth opportunities for semiconductor and electronic component manufacturers.

Jon Gamble, Senior Analyst at IMS Research commented â€œIn Europe and America, utility metering is a mature, slow growth, commodity market. The biggest opportunities that will decide the leading global meter suppliers of the future are in Asia. American and European meter manufacturers who continue to focus on a small local market, defended on the basis that Asian imports are of lesser quality, will lose out in the long term. Major Chinese companies and international joint ventures that include Asian suppliers are already churning out top-quality products at highly competitive prices. As more of the market switches to electronic technology, the advantages of a â€œWesternâ€• meter, over an â€œAsianâ€• meter w reduce further, and the Asian meter will always win on price.â€•

China is forecast to be one of the major growth engines for utility meters in Asia over the next five years. Its electricity meter market is virtually saturated following the one-household, one meter initiative of the last decade. However, improving meter prices are anticipated as residential and industrial energy consumption continue to rapidly increase, necessitating and helping to fund better quality meters. China is already well down the road to enacting a heating reform bill, which will require metering equipment and hence boost demand.

The IMS Research study found that there is significant variation in the price, quality and standards of meters consumed in each Asian country, and consequently big variations in the supplier base. The Asian market is particularly difficult for non-Asian companies to gain a foothold. In countries such as Japan and Australia, special standards and strong established local suppliers make market penetration by new suppliers difficult and keep prices high.

In countries such as China, the pervasion of poor quality, low cost meters makes it difficult for Western companies with relatively high cost infrastructures to make an adequate return on investment. However, many foreign companies are forming joint ventures and partnerships with local Asian companies to lever the benefits of low cost manufacturing, to access the market and position themselves to take advantage of Asiaâ€™s high growth potential

About the StudyIMS Researchâ€™s 400 page report â€œThe Asia Market for Utility Meters & AMR Systemsâ€• provides the mo detailed analysis available on the Asian utility meter market. The report includes analyses and forecasts for electricity, gas, water and heat meters by 24 utility meter product subcategories, which are presented individually for eight geographic territories. Forecasts are also provided for the penetration of AMR systems by utility sector and geographic region. Market share estimates (based on unit shipments) are presented separately for electricity, gas, water and heat utility meter manufacturers, with summary profiles on around 140 companies. A chapter analyzing the market for semiconductors and key electronic components in utility meters is also optionally available.

About IMS Research

IMS Research is a leading provider of market research, business intelligence and consulting services, primarily to the electronics industry. Our services span a diverse range of sectors including semiconductors, wireless, consumer, automotive, medical, power & energy, security, mechatronics and automation.

Founded in the 1980s, IMS Research has established itself as a reliable and trusted source of market intelligence. Today we have 40 analysts spread across three locations: Austin/Texas, USA, London, UK, and Shanghai, China, enabling us to provide clients with comprehensive and detailed research on todayâ€™s global markets. Our customer list encompasses most of the household names in the electronics industry, including all top 10 semiconductor companies.

IMS Researchâ€™s Power & Energy Group provides consultancy services and detailed databases and reports on a wide range of power and energy products. These include power semiconductor and components, batteries, fuel cells, power supplies, UPS, utility meters, power generation and distribution equipment, and renewable energy.